

FY2025-FY2030

Medium-Term Management Plan

AGENDA

1

Review of the Previous Medium-Term Management Plan

2

VISION 2030

3

Medium-Term Management Plan for FY2025-FY2030

- Disclosure Segments
- Basic Policies
- Management Targets
- Segment Targets
- Optimization of Business Portfolio
- New Product Launch Plan
- Segment Policy
- Capital Policy and Financial Strategy for Sustainable Corporate Value Creation
- Policy for Shareholder Returns
- Strengthening Business Foundations through ESG Management
- Strengthening Corporate Governance

AGENDA

1

Review of the Previous Medium-Term Management Plan

2

VISION 2030

3

Medium-Term Management Plan for FY2025-FY2030

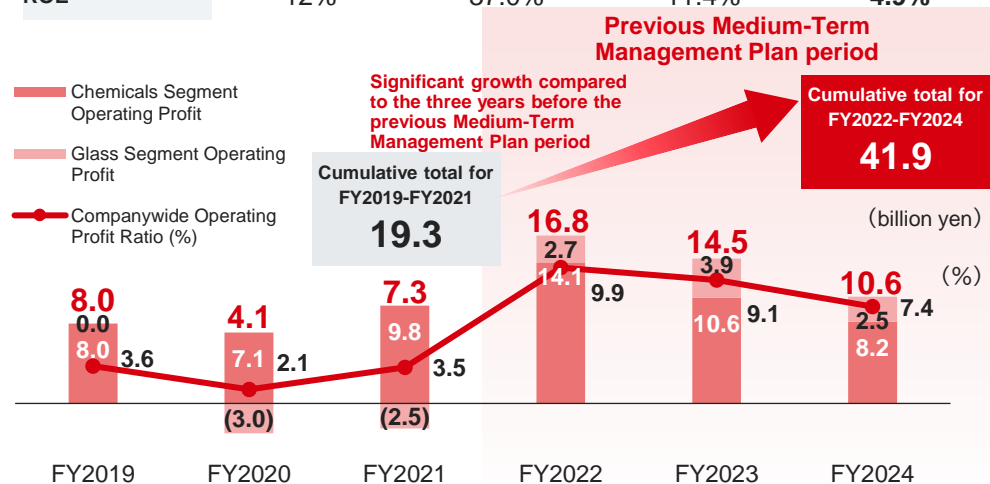
- Disclosure Segments
- Basic Policies
- Management Targets
- Segment Targets
- Optimization of Business Portfolio
- New Product Launch Plan
- Segment Policy
- Capital Policy and Financial Strategy for Sustainable Corporate Value Creation
- Policy for Shareholder Returns
- Strengthening Business Foundations through ESG Management
- Strengthening Corporate Governance

■ Review of the Previous Medium-Term Management Plan (FY2022-FY2024) (Overview)

Financial Targets

- Achieved final-year targets for the previous Medium-Term Management Plan during FY2022–FY2023
Did not achieve targets in FY2024 due to significant deterioration in the business environment
- Electronic Materials, Medi-Chemicals and Applied Chemicals performed well in the Chemicals segment. Poor performance in Energy Materials due to a decline in EV demand from FY2023 onwards pushed down segment profit
- The Glass segment became profitable due to fundamental structural improvements

	Target FY2024	FY2022	Results FY2023	FY2024
Operating profit (Operating profit ratio)	14.0 billion yen (8%)	16.8 billion yen (9.9%)	14.5 billion yen (9.1%)	10.6 billion yen (7.4%)
ROE	12%	37.0%	11.4%	4.9%

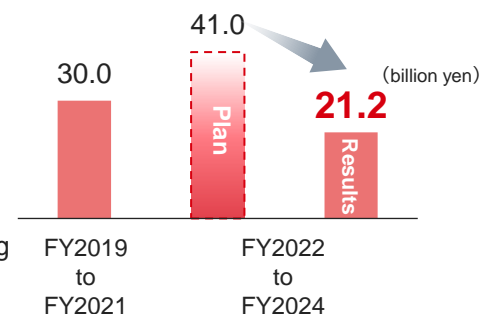


Investment

- Revision of investment plans for Electronic Materials and Energy Materials due to changes in the business environment

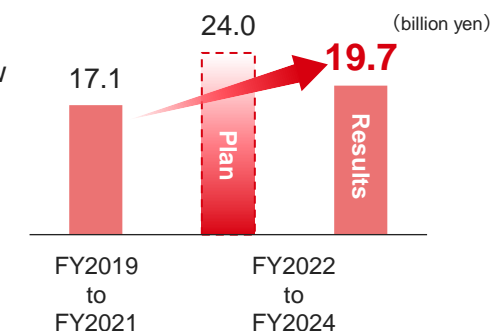
[Main investment plans that have been revised]

- Electronic Materials : Construction of plant in Taiwan
- Energy Materials : Construction of new sites and increase in capacity of existing facilities



R&D Expenses

- R&D was focused on Electronic Materials, Energy Materials and new areas.



■ Review of the Previous Medium-Term Management Plan (FY2022-FY2024) (By Business)

Chemicals Segment (5 Businesses)			Achievement status																								
<div>Consolidated Net Sales (billion yen)</div> <table><thead><tr><th>Business</th><th>FY2022</th><th>FY2023</th><th>FY2024</th></tr></thead><tbody><tr><td>Electronic Materials</td><td>20.8</td><td>20.7</td><td>24.2</td></tr><tr><td>Energy Materials</td><td>36.3</td><td>32.4</td><td>15.0</td></tr><tr><td>Medi-Chemicals</td><td>14.8</td><td>15.1</td><td>11.9</td></tr><tr><td>Applied Chemicals</td><td>23.3</td><td>17.0</td><td>19.1</td></tr><tr><td>Fertilizers</td><td>14.8</td><td>10.8</td><td>11.2</td></tr></tbody></table>	Business	FY2022	FY2023	FY2024	Electronic Materials	20.8	20.7	24.2	Energy Materials	36.3	32.4	15.0	Medi-Chemicals	14.8	15.1	11.9	Applied Chemicals	23.3	17.0	19.1	Fertilizers	14.8	10.8	11.2	<div><div></div>Electronic Materials<ul style="list-style-type: none">High-purity gases for semiconductor processes (deposition gases, cleaning gases, etching gases)Circuit pattern collapse prevention agents, photoresist materials</div>	<ul style="list-style-type: none">In FY2023, although there was a post-COVID-19 inventory adjustment period, some long-term contracts provided support. Sales grew in FY2024 due to robust demand for AI semiconductors, contributing to profits.Some investment plans were postponed due to changes in demand trends	⊙
	Business	FY2022	FY2023	FY2024																							
	Electronic Materials	20.8	20.7	24.2																							
	Energy Materials	36.3	32.4	15.0																							
	Medi-Chemicals	14.8	15.1	11.9																							
Applied Chemicals	23.3	17.0	19.1																								
Fertilizers	14.8	10.8	11.2																								
<div><div></div>Energy Materials<ul style="list-style-type: none">Electrolytes for lithium-ion batteries</div>	<ul style="list-style-type: none">Although sales expanded in major markets due to improving raw material procurement capabilities and leveraging production capacity in Japan, Europe, China, and South Korea, sales halved in FY2024 due to a sharp decline in demand from the second half of FY2023.Investment plans for capacity enhancement were revised due to changes in demand trends	▲																									
<div><div></div>Medi-Chemicals<ul style="list-style-type: none">Inhalation anesthetic APIs</div>	<ul style="list-style-type: none">Inhalation anesthetics faced intense competition from other companies' products in overseas markets, but a certain level of profit was secured.	○																									
<div><div></div>Applied Chemicals<ul style="list-style-type: none">HFO (Hydrofluoroolefin) products, functional material products</div>	<ul style="list-style-type: none">In FY2023, sales declined sharply due to the disappearance of special demand for HFO products and a slowdown in housing demand in Europe and the United States, but in FY2024, there was a recovery in demand for HFO products and agrochemical raw materials.We withdrew from the low-profit water treatment coagulant (PAC) business in FY2024.	⊙																									
<div><div></div>Fertilizers<ul style="list-style-type: none">Chemical fertilizers, coated fertilizers</div>	<ul style="list-style-type: none">Sales declined due to sharp fluctuations in raw material prices and sales prices, and an increase in demand for low-cost products associated with this. We are implementing measures to improve profitability by reducing inventory and fixed costs.	▲																									
Glass Segment (2 Businesses)			Achievement status																								
<div>Consolidated Net Sales (billion yen)</div> <table><thead><tr><th>Business</th><th>FY2022</th><th>FY2023</th><th>FY2024</th></tr></thead><tbody><tr><td>Glass</td><td>46.9</td><td>51.2</td><td>49.9</td></tr><tr><td>Glass Fiber</td><td>7.8</td><td>8.2</td><td>8.6</td></tr></tbody></table>	Business	FY2022	FY2023	FY2024	Glass	46.9	51.2	49.9	Glass Fiber	7.8	8.2	8.6	<div><div></div>Glass<ul style="list-style-type: none">Architectural glassAutomotive glass</div>	<ul style="list-style-type: none">The business became profitable due to thorough structural reforms, such as reducing fixed costs by discontinuing low-profit businesses and adjusting sales prices according to reduced supply capacity.	⊙												
	Business	FY2022	FY2023	FY2024																							
Glass	46.9	51.2	49.9																								
Glass Fiber	7.8	8.2	8.6																								
<div><div></div>Glass Fiber<ul style="list-style-type: none">Glass woolContinuous glass fiber</div>	<ul style="list-style-type: none">Sales of high value-added continuous glass fiber products grew, but demand for general-purpose products stagnated.Demand for glass wool remains strong for automotive sound-absorbing materials	▲																									

⊙

 Performance increased or improved

○

 Performance maintained

▲

 Performance deteriorated or declined

⊙ Performance increased or improved ○ Performance maintained ▲ Performance deteriorated or declined

AGENDA

1

Review of the Previous Medium-Term Management Plan

2

VISION 2030

3

Medium-Term Management Plan for FY2025-FY2030

- Disclosure Segments
- Basic Policies
- Management Targets
- Segment Targets
- Optimization of Business Portfolio
- New Product Launch Plan
- Segment Policy
- Capital Policy and Financial Strategy for Sustainable Corporate Value Creation
- Policy for Shareholder Returns
- Strengthening Business Foundations through ESG Management
- Strengthening Corporate Governance

VISION 2030

**Become a Specialty Materials Company
contributing to the realization of a sustainable society**

Operating profit

ROE

Numerical targets

20 billion yen × **At least 10%**
(Highest earnings on record)

Business strategies

Expansion of specialty products

- Creation of new value
- Creation of a strong business model

Strengthening of essential products

- Strengthening of earning capacity
- Creation of high added value

Optimization of business portfolio

Promotion of human capital management

- Promotion of diversity, equity and inclusion
- Increasing engagement
- Promotion of health and productivity management

Response to environmental issues

- Initiatives for the reduction of GHG emissions
- Initiatives for the realization of a recycling-oriented society
- Initiatives for the reduction of environmental impact

Promotion of utilization of digital technology

- Improvement of efficiency of operations
- Enhancement of management foundations
- Digital human resource development aimed at DX

Strengthening of business foundations through ESG management

AGENDA

1

Review of the Previous Medium-Term Management Plan

2

VISION 2030

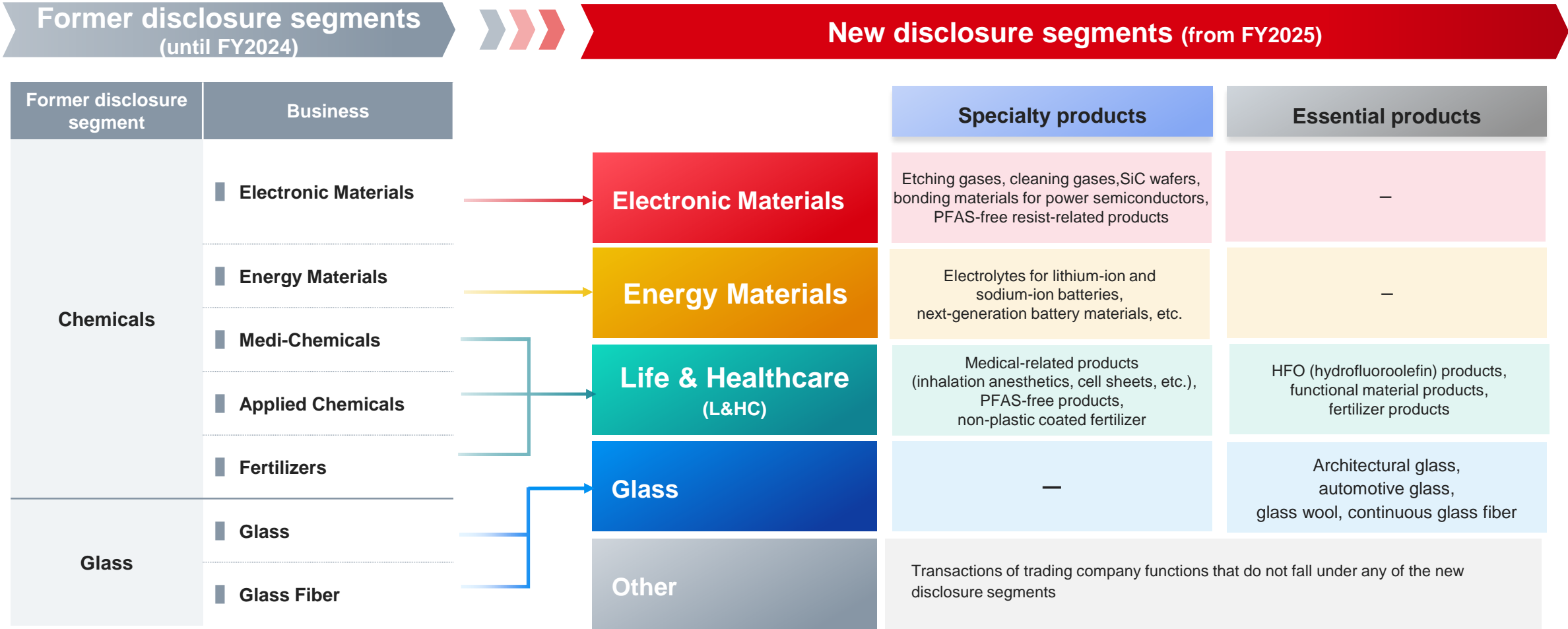
3

Medium-Term Management Plan for FY2025-FY2030

- Disclosure Segments
- Basic Policies
- Management Targets
- Segment Targets
- Optimization of Business Portfolio
- New Product Launch Plan
- Segment Policy
- Capital Policy and Financial Strategy for Sustainable Corporate Value Creation
- Policy for Shareholder Returns
- Strengthening Business Foundations through ESG Management
- Strengthening Corporate Governance

Disclosure Segments

In order to enhance information disclosure, Electronic Materials and Energy Materials will be separated, and the disclosure segments will be changed from two segments to five segments.



*: List typical product names (including target products planned to be launched during the medium-term management plan period)

■ Basic Policies

We will engage in management priorities within the framework of Phase 1 and Phase 2 toward the realization of VISION 2030, our long-term vision.

Operating profit **20 billion yen** × **ROE** **At least 10%**

■ Business strategies

Expansion of specialty products

Strengthening of essential products

■ Growth strategy

■ Investment strategy

- Balanced and optimal allocation of management resources based on analysis of growth potential and ROIC
- Growth investment with a medium- to long-term view that avoids short-sightedness

■ ROIC management

- Pursuit of vision based on business roadmap
- Improvement of capital efficiency* through business ROIC monitoring

Promotion of human capital management

Response to environmental issues

Promotion of utilization of digital technology

Strengthening of business foundations through ESG management

* Target indicators for capital efficiency: ROE, ROIC
($ROE \approx ROIC \times \text{financial leverage}$)

Phase 1 : FY2025-FY2027

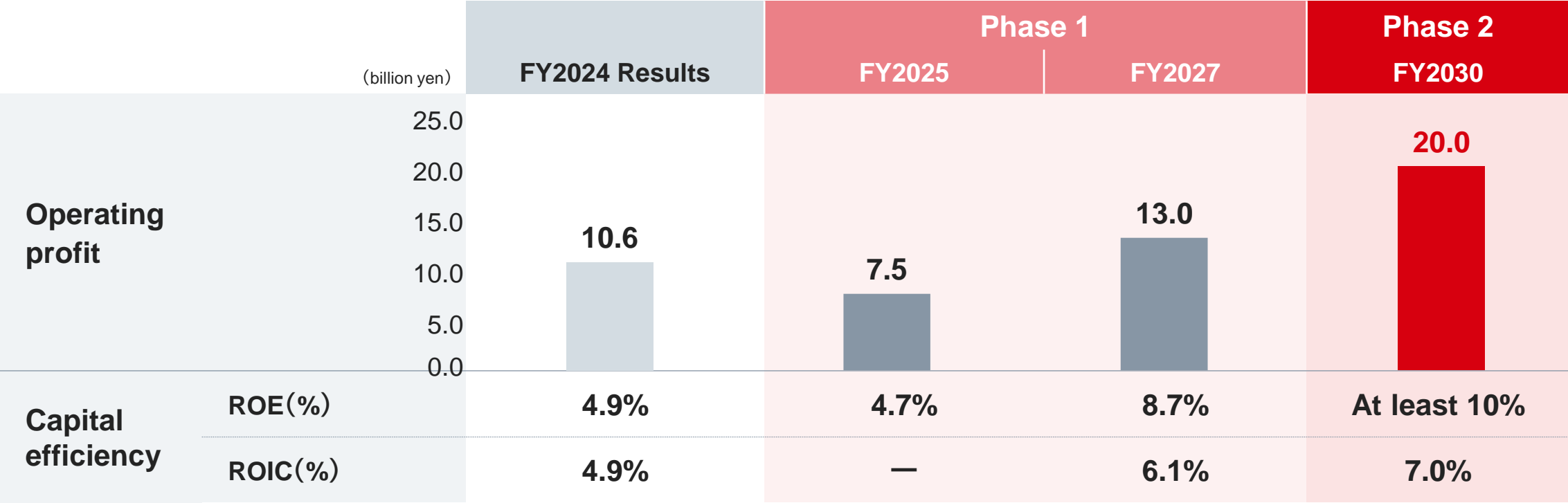
Strengthening foundations for growth

Phase 2 : FY2028-FY2030

Trajectory for substantial growth

■ Management Targets

We will aim to achieve the VISION 2030 targets through “expansion of specialty products” and “strengthening of essential products” by implementing growth strategies adapted to changes in the business environment.



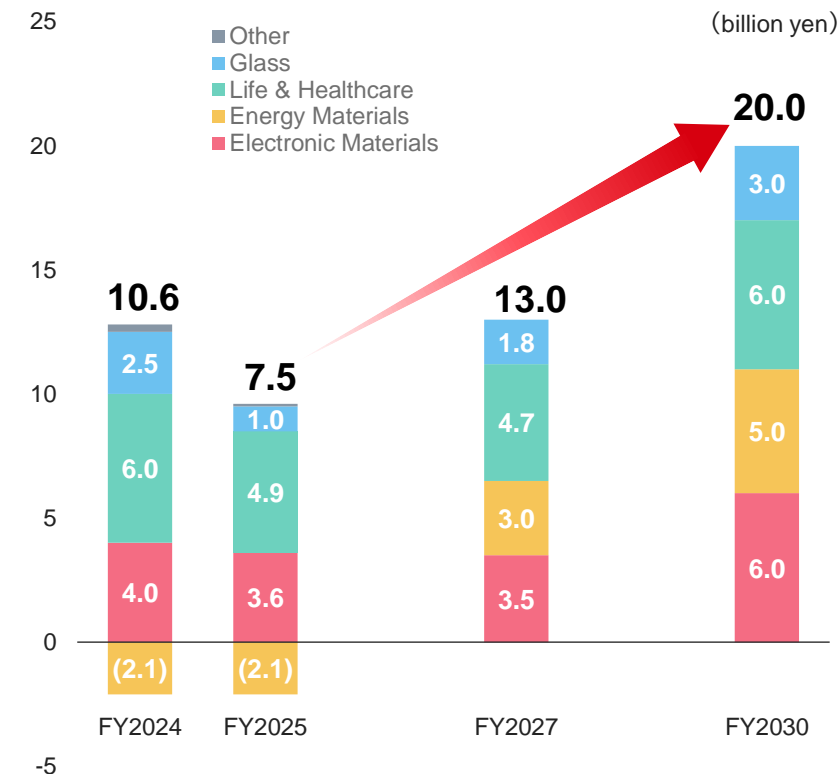
Impact of US tariffs

- Expected impact of reduced demand for automobiles and others in FY2025 (0.5 billion yen decline in operating profit)

■ Segment Targets

The effects of growth investment and recovery in EV demand will put Phase 2 on a solid growth trajectory.

Operating profit		FY2024 Results	Phase1		Phase2
	(billion yen)		FY2025	FY2027	FY2030
Electronic Materials		4.0	3.6	3.5	6.0
Energy Materials		(2.1)	(2.1)	3.0	5.0
Life & Healthcare		6.0	4.9	4.7	6.0
Glass		2.5	1.0	1.8	3.0
Other		0.3	0.1	0.0	0.0
Consolidated total		10.6	7.5	13.0	20.0



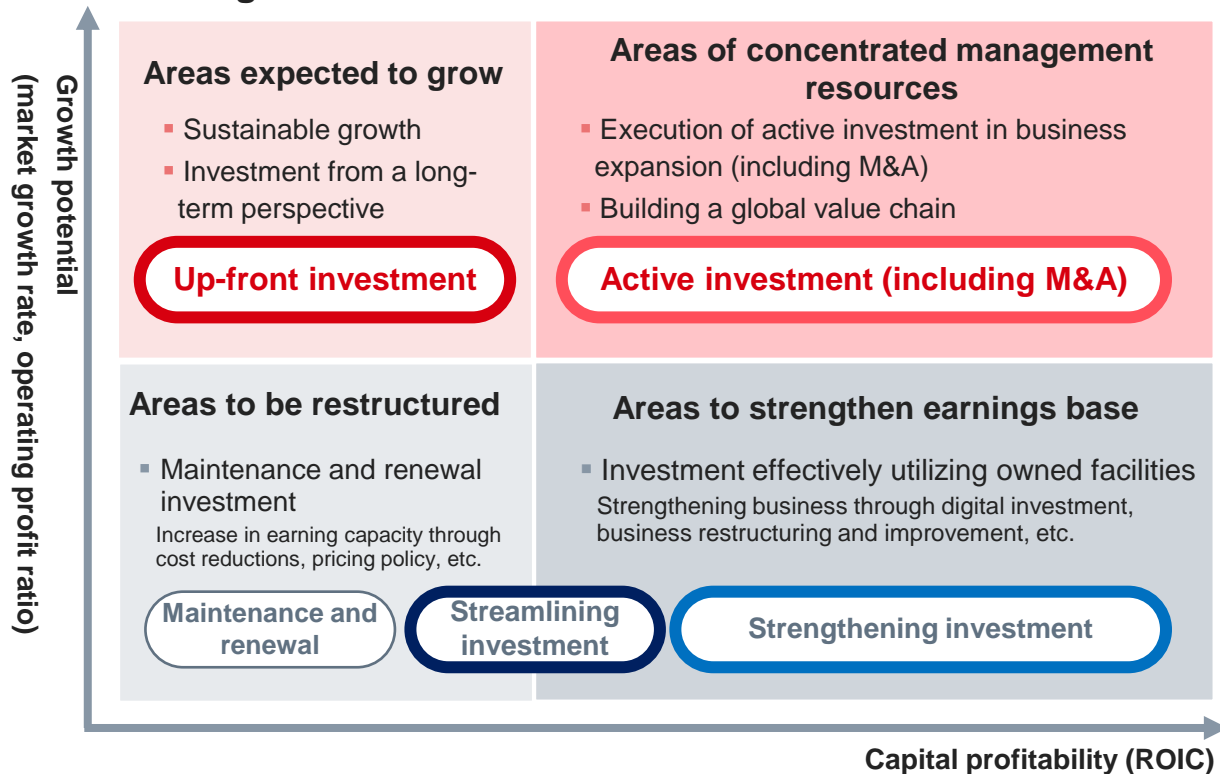
Impact of US tariffs

- Expected impact of reduced demand for automobiles and others in FY2025 (0.5 billion yen decline in operating profit)

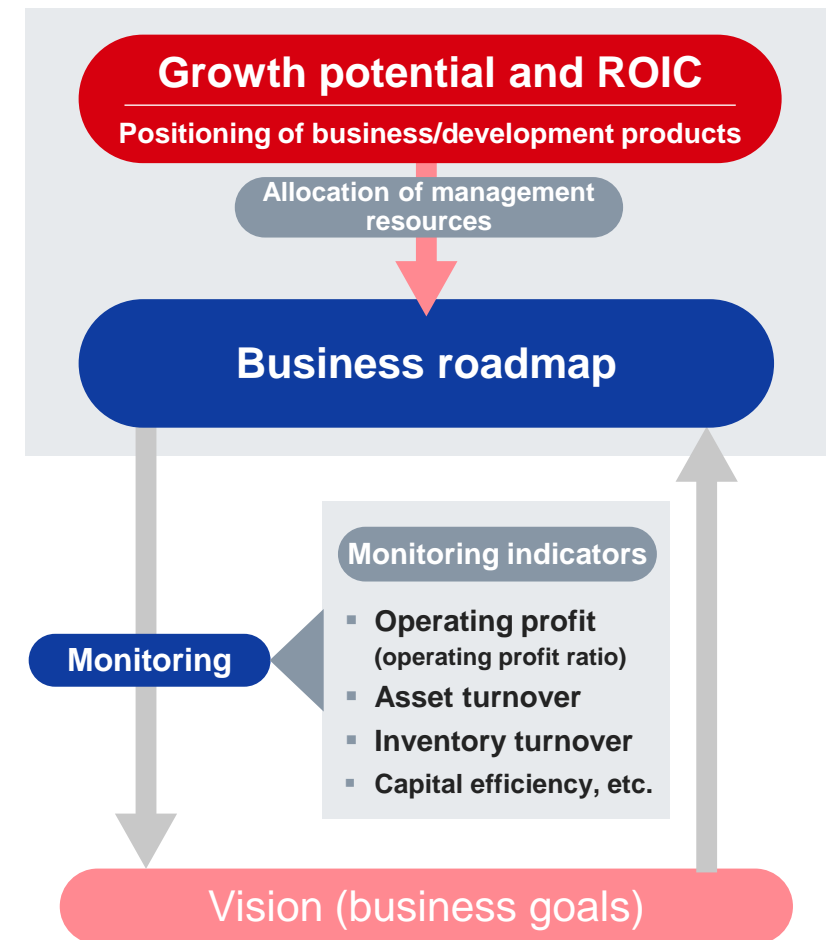
■ Optimization of Business Portfolio

Investment Strategy

- Balanced and optimal allocation of management resources based on analysis of growth potential and ROIC
- Growth investment with a medium- to long-term view that avoids short-sightedness



ROIC management



■ Optimization of Business Portfolio

To achieve sustainable growth, we will promote growth investment in response to the business environment.

Expansion of specialty products

- Creation of new value
- Creation of business model

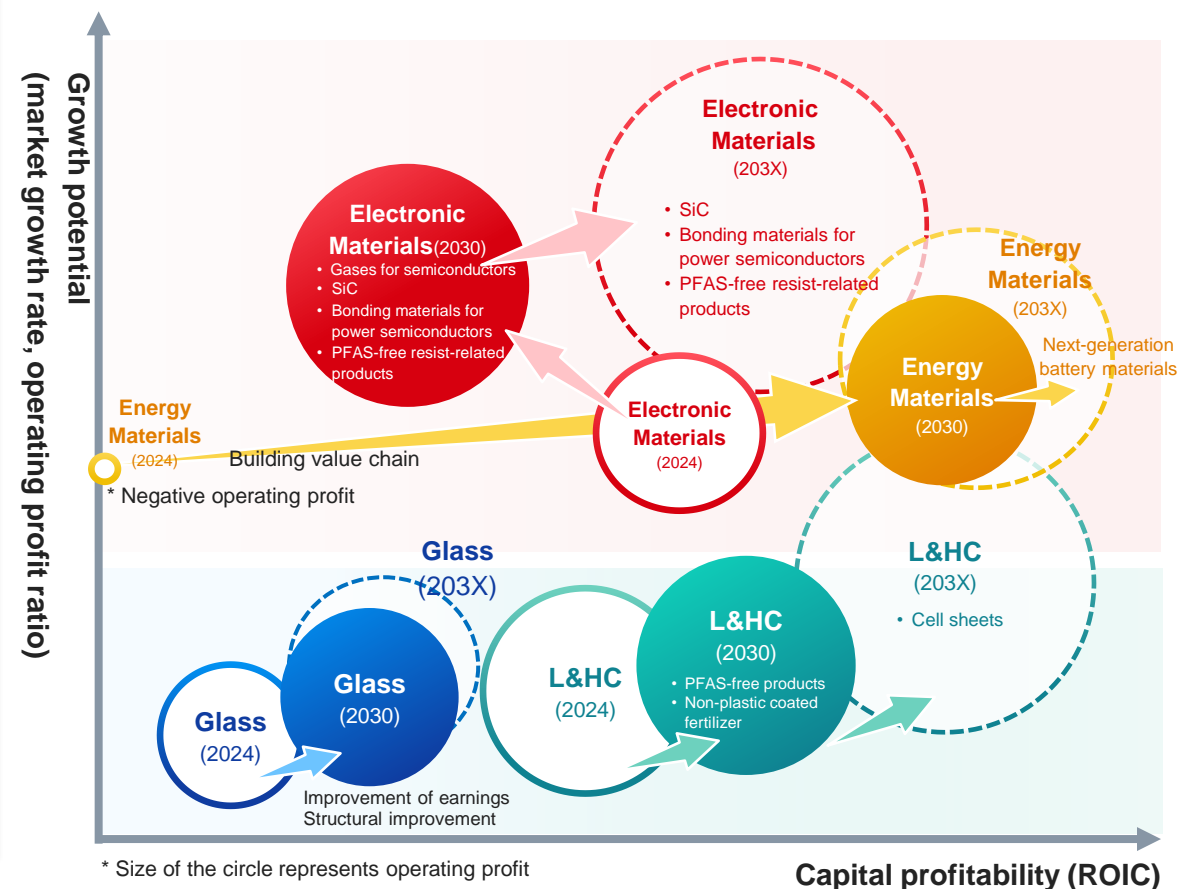


Strengthening of essential products

- Strengthening of earning capacity
- Creation of high added value



Image of Future Position of Each Segment (Operating Profit, ROIC)



New Product Launch Plan

Disclosure segments

Diverse R&D products with high growth potential

Electronic Materials

- Etching gases (CEG® 39A)
- PFAS-free circuit pattern collapse prevention agent (PFAS-free Pattern Keeper)
- PFAS-free liquid repellent bank materials
- SiC wafers
- Bonding materials for power semiconductors
- PFAS-free resist-related products
- Semiconductor wafers of post-next-generation compounds

Energy Materials

- Electrolytes for lithium-ion batteries (for anodes containing Si)
- Electrolytes for lithium-ion batteries (for next-generation electrodes)
- Electrolytes for sodium ion batteries
- All-solid-state battery-related products
- Sodium ion battery-related products

Life & Healthcare

- Non-plastic coated fertilizer
- Cell sheets
- PFAS-free blowing agents, solvents

Glass

- New anti-fouling and anti-fogging mirrors
- Next-generation HUD
- ADAS-compatible glass

Planned timing of market launch (image)

■ Segment Policy (Electronic Materials)

Up to FY2024

Business Environment

- The semiconductor market is growing steadily (and is expected to continue growing)
- AI-related products are growing rapidly
- Heightened demand for environmentally friendly products such as low-GWP and PFAS-free products

Phase 1 (FY2025-FY2027)

Basic Policies

- Investment in strengthening existing products and strengthening sales capabilities
- Strengthening of competitiveness in global markets

Basic Strategies and Measures

- Expansion of alternatives for products entering a period of market decline
- Expansion of market share in the Asian semiconductor market (Taiwan, South Korea)
- Selection and concentration of strategic R&D themes

Phase 2 (FY2028-FY2030)

Basic Policies

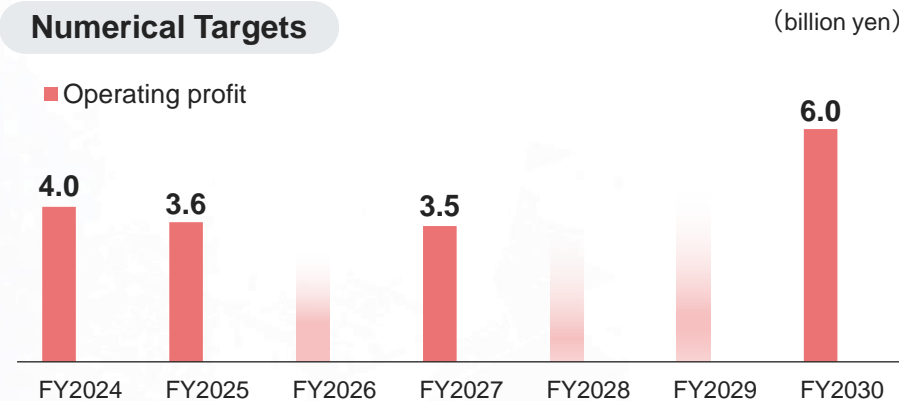
- Growth investment and commercialization of new products
- Expansion of sales channels to global markets

Basic Strategies and Measures

- Full-scale launch of environmentally friendly new products (PFAS-free resist-related products, etc.)
- Entry into US market

Numerical Targets

■ Operating profit



Cryo-etching equipment

■ Segment Policy (Energy Materials)

Up to FY2024

Business Environment

- EV demand varies by region
- Low-cost and general-purpose trends in the LIB market
- Demand for high-performance electrolytes is expected to be robust from 2028 in the United States and Japan, where the spread of EVs requiring such electrolytes is anticipated

Phase 1 (FY2025-FY2027)

Basic Policies

- Acquisition of new customers through restructuring business model and investment plan (Providing suitable volumes of products at appropriate prices for each customer and region)

Basic Strategies and Measures

- Fully utilizing domestic and international supply chain capabilities
 - Japan: Increase capacity to match customers' needs
 - US: Establish a supply system according to customer requirements
 - Europe: Promote acquisition of OEM business

Phase 2 (FY2028-FY2030)

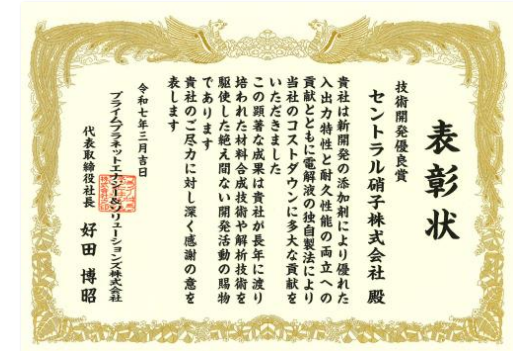
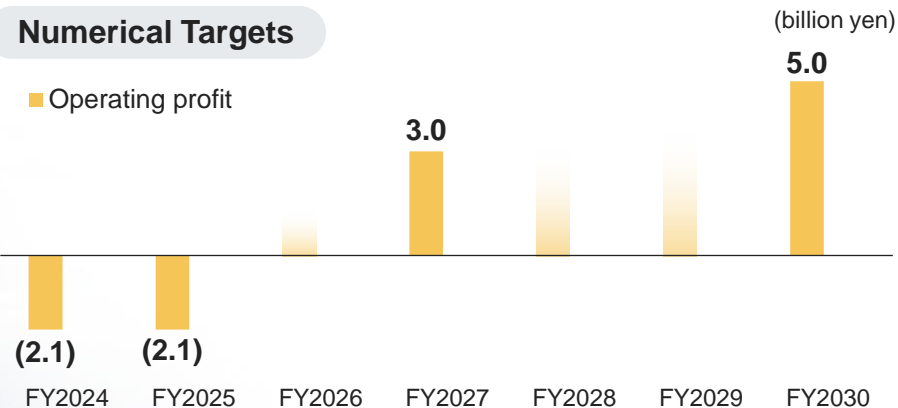
Basic Policies

- Building a global strategic value chain

Basic Strategies and Measures

- Business operation maintaining a high operating rate of existing facilities
- Building a new supply system in Japan and overseas (Investment in line with the spread of EVs in Europe and the US)

Numerical Targets

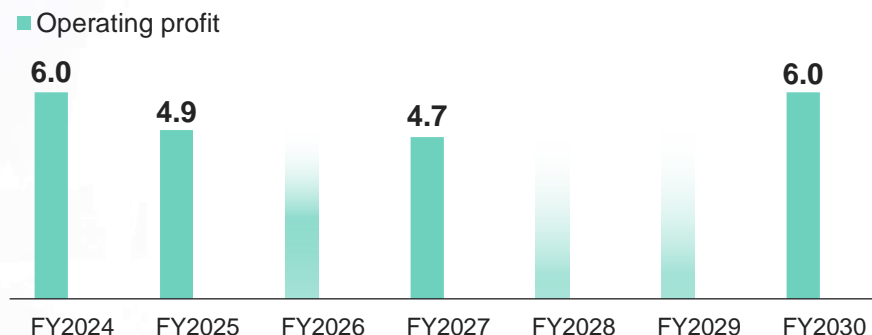


■ Segment Policy (Life & Healthcare)

	Up to FY2024	Phase 1 (FY2025-FY2027)	Phase 2 (FY2028-FY2030)
	Business Environment	Basic Strategies and Measures	Basic Strategies and Measures
Medi-Chemicals	<ul style="list-style-type: none"> Global demand for inhalation anesthetics is stable, but competition with generics is intensifying New markets emerging in the area of regenerative medicine 	<ul style="list-style-type: none"> Maintaining market share through strategic alliances with customers Promotion of cell sheet R&D 	<ul style="list-style-type: none"> Continue to maintain market share through strategic alliances with customers Establishment of a business structure for the market launch of cell sheets
Applied Chemicals	<ul style="list-style-type: none"> Market for HFO products is expanding Changes in the market brought about by PFAS regulations Intensifying competition with manufacturers in emerging countries 	<ul style="list-style-type: none"> Stable supply and expansion of sales of existing products (blowing agents, solvents, functional products containing fluorine) Restructuring of low-profit businesses 	<ul style="list-style-type: none"> Accumulating profits through flexible responses to PFAS regulations and launching of new products (fluorine products, PFAS-free products)
Fertilizers	<ul style="list-style-type: none"> Domestic fertilizer suppliers made a statement to “make a shift to agriculture that does not rely on coated fertilizers using plastic by 2030,” and demand for non-plastic fertilizers is expected to increase 	<ul style="list-style-type: none"> Preparation for market launch of non-plastic coated fertilizers (sample work, mass production equipment review, etc.) 	<ul style="list-style-type: none"> Mass production and expanded sales of non-plastic coated fertilizers

Numerical Targets

(billion yen)



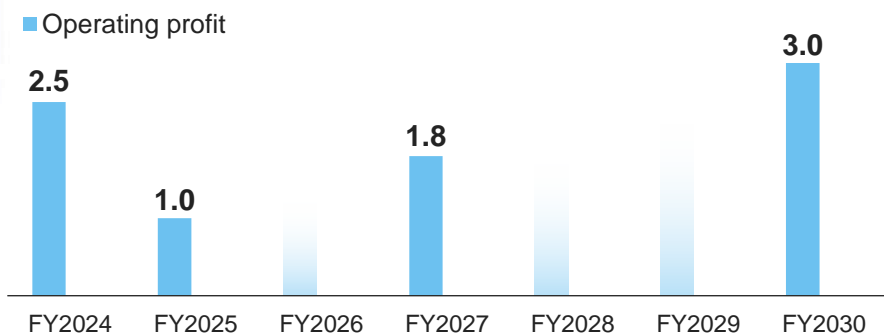
Successful development of non-plastic coated fertilizers that address environmental issues

* The photograph shows disintegrated non-plastic shell

■ Segment Policy (Glass)



Numerical Targets

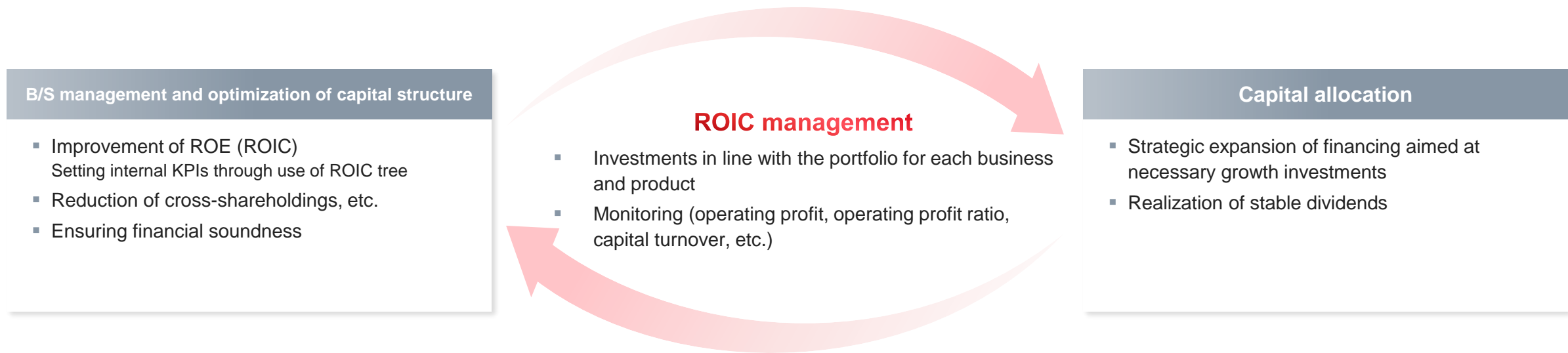


Next-generation HUD (Head-up Display)

*1 ADAS: Advanced Driver-Assistance Systems

*2 HUD: Head-up Display

■ Capital Policy and Financial Strategy for Sustainable Corporate Value Creation



Changes in Indicators

	FY2024	FY2027	FY2030
Operating profit	10.6 billion yen	13.0 billion yen	20.0 billion yen
ROE	4.9%	8.7%	At least 10.0 %
ROIC	4.9%	6.1%	7.0%
Investment*	21.2 billion yen *	50.5 billion yen*	56.5 billion yen *
Balance of interest-bearing debt	42.3 billion yen	43.0 billion yen	59.5 billion yen

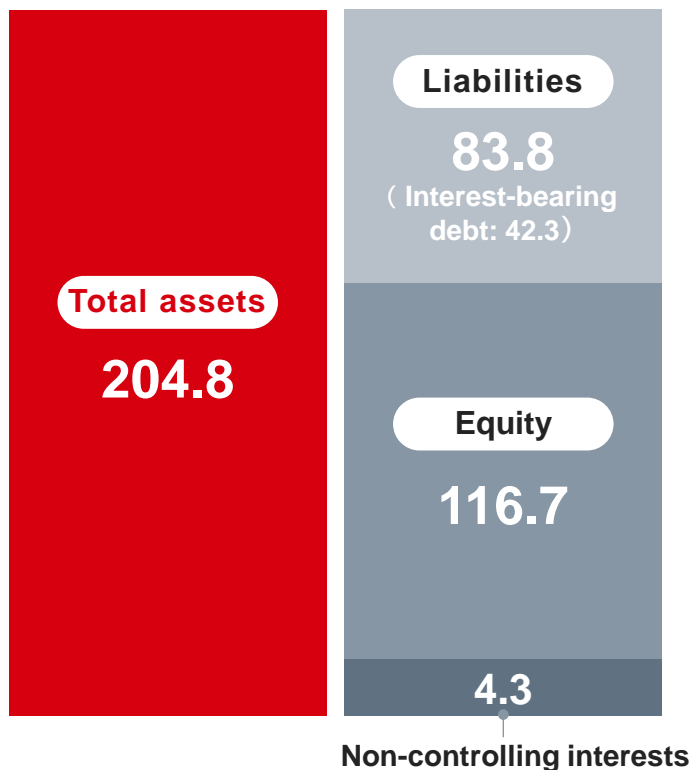
* Investment amount: Cumulative value for each three-year period in the previous Medium-Term Management Plan period, Phase 1 and Phase 2

■ Capital Policy & Financial Strategy for Sustainable Corporate Value Creation

(Optimization of Capital Structure through Balance Sheet Management)

End of FY2024

(billion yen)

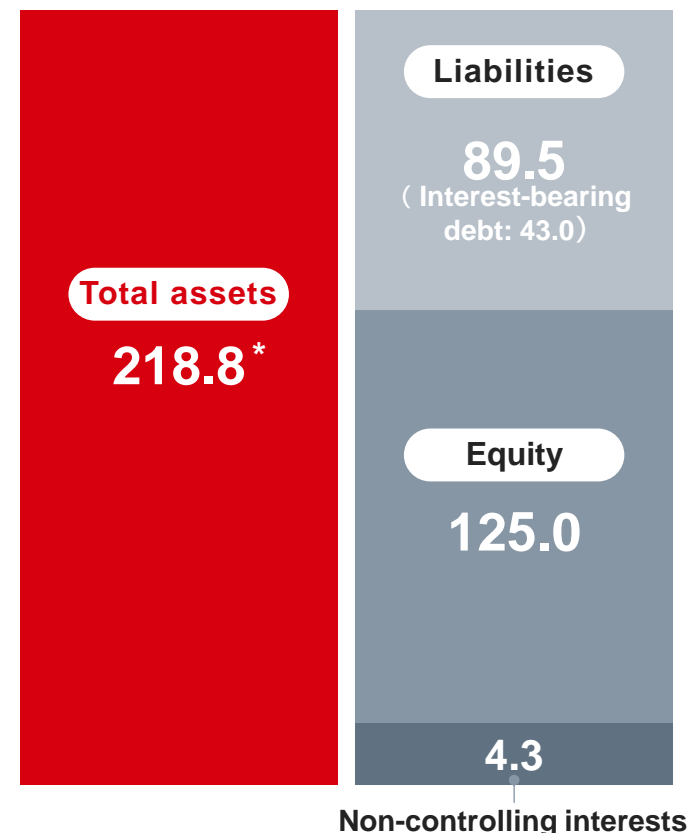


Management Policy

- Appropriate working capital such as inventory reduction
- Slimming total assets
 - Improvement of asset and inventory turnover
Implementing measures based on the ROIC tree throughout the Company
Continuous improvement through monitoring
 - Reduction of cross-shareholdings
- Ensuring financial soundness

End of FY2027 (plan)

(billion yen)



*Total asset reduction

- Inventory optimization and improvement of inventory turnover : minus 2.0 billion yen

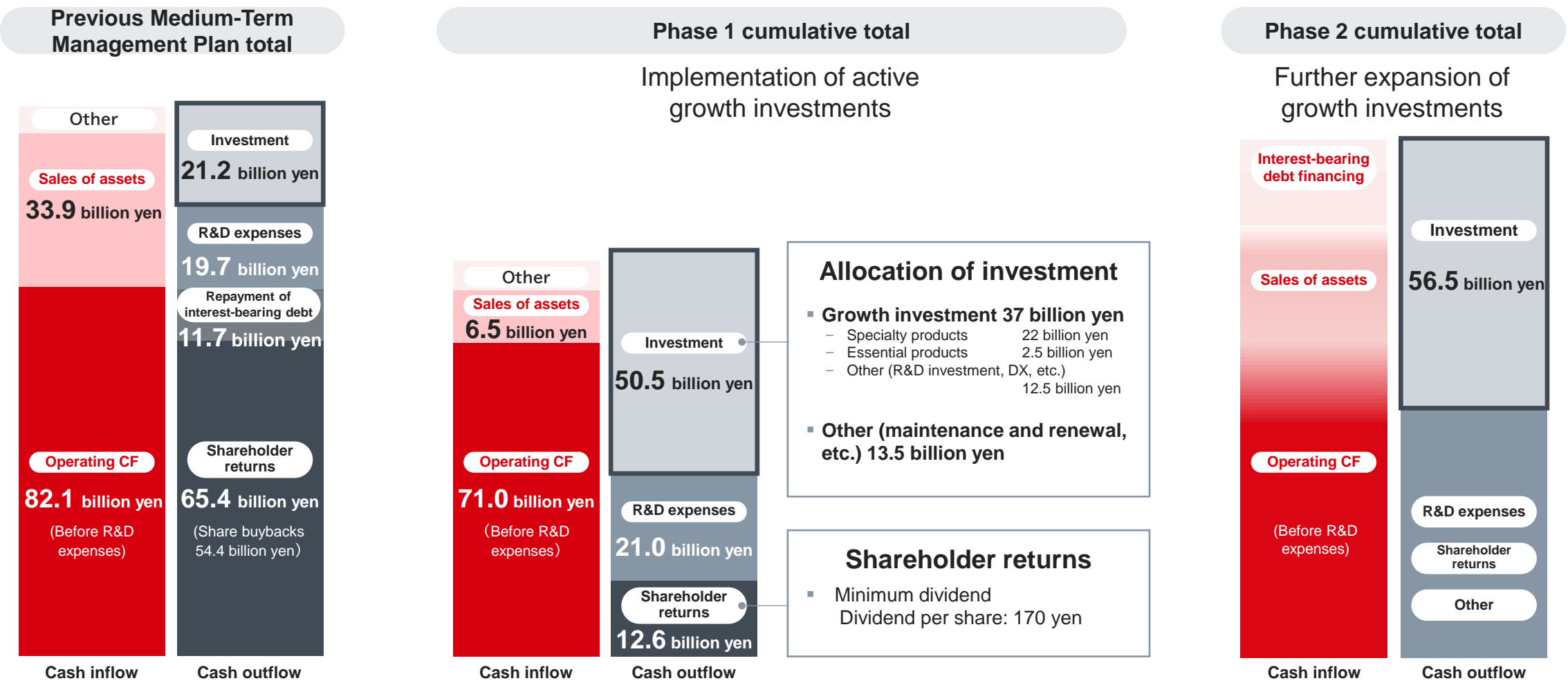
(The number of days of inventory turnover for the Company (consolidated) was reduced by 20 days from FY2024.)

- Reduction of cross-shareholdings : minus 5.0 billion yen

■ Capital Policy & Financial Strategy for Sustainable Corporate Value Creation

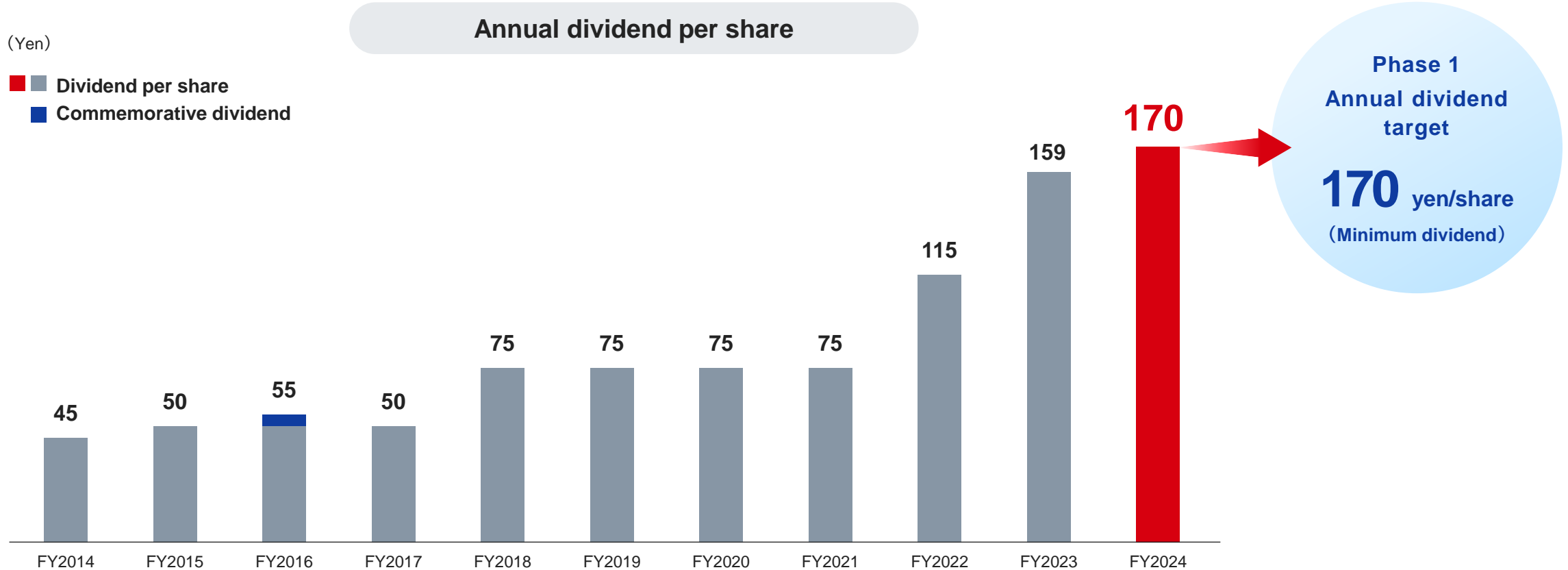
(Capital Allocation)

- Balanced and optimal allocation of management resources based on analysis of growth potential and ROIC
- Focus on R&D supporting growth
- Growth investment with a medium- to long-term view that avoids short-sightedness
- Stable shareholder returns



■ Policy for Shareholder Returns

- Continue the basic policy of maintaining stable shareholder returns while aiming to increase corporate value through growth investments.
- The dividend per share (minimum dividend) for Phase 1 is set at 170 yen. (It will be reviewed again in Phase 2.)

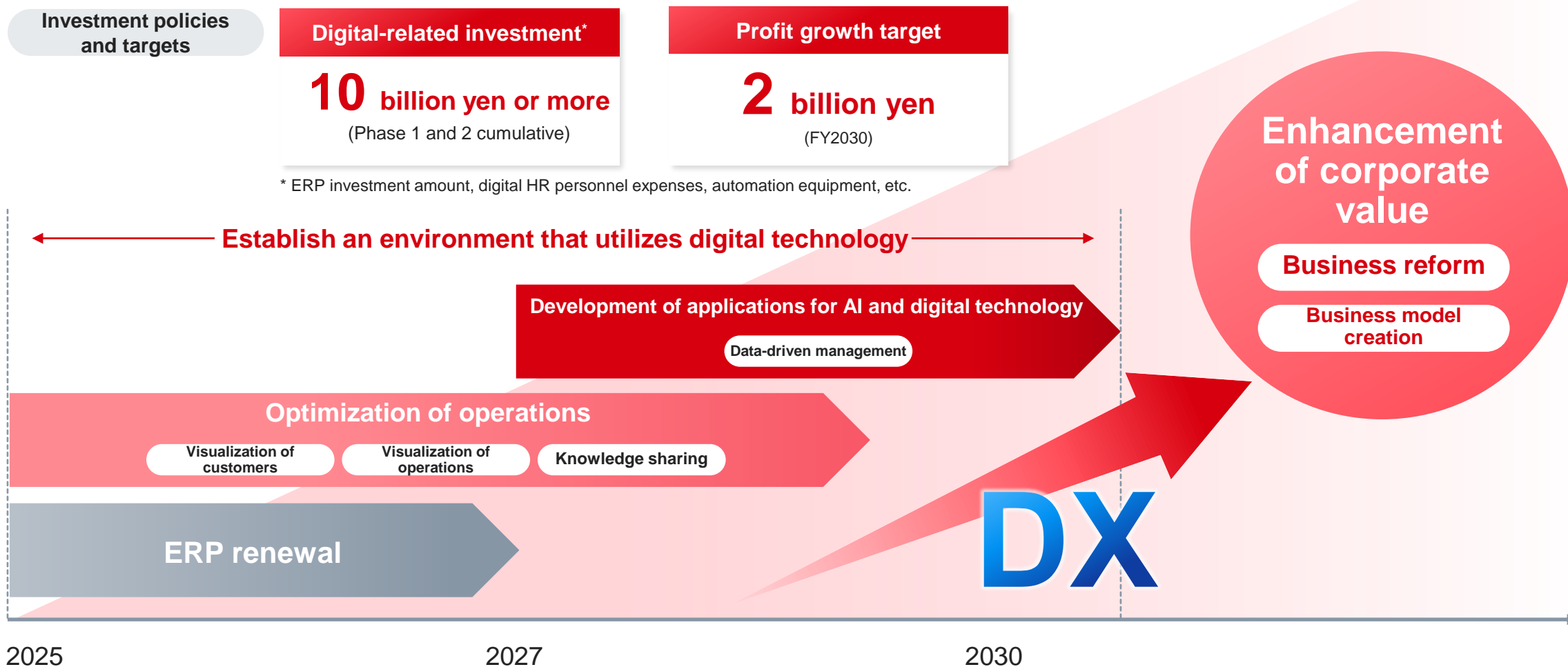


* Due to the reverse stock split of 5 shares into 1 share performed on October 1, 2017, dividend amounts prior to that date have been adjusted to reflect the reverse stock split.

* The commemorative dividend of 5 yen per share was paid in the fiscal year ended March 31, 2017.

■ Strengthening Business Foundations through ESG Management (Promotion of DX)

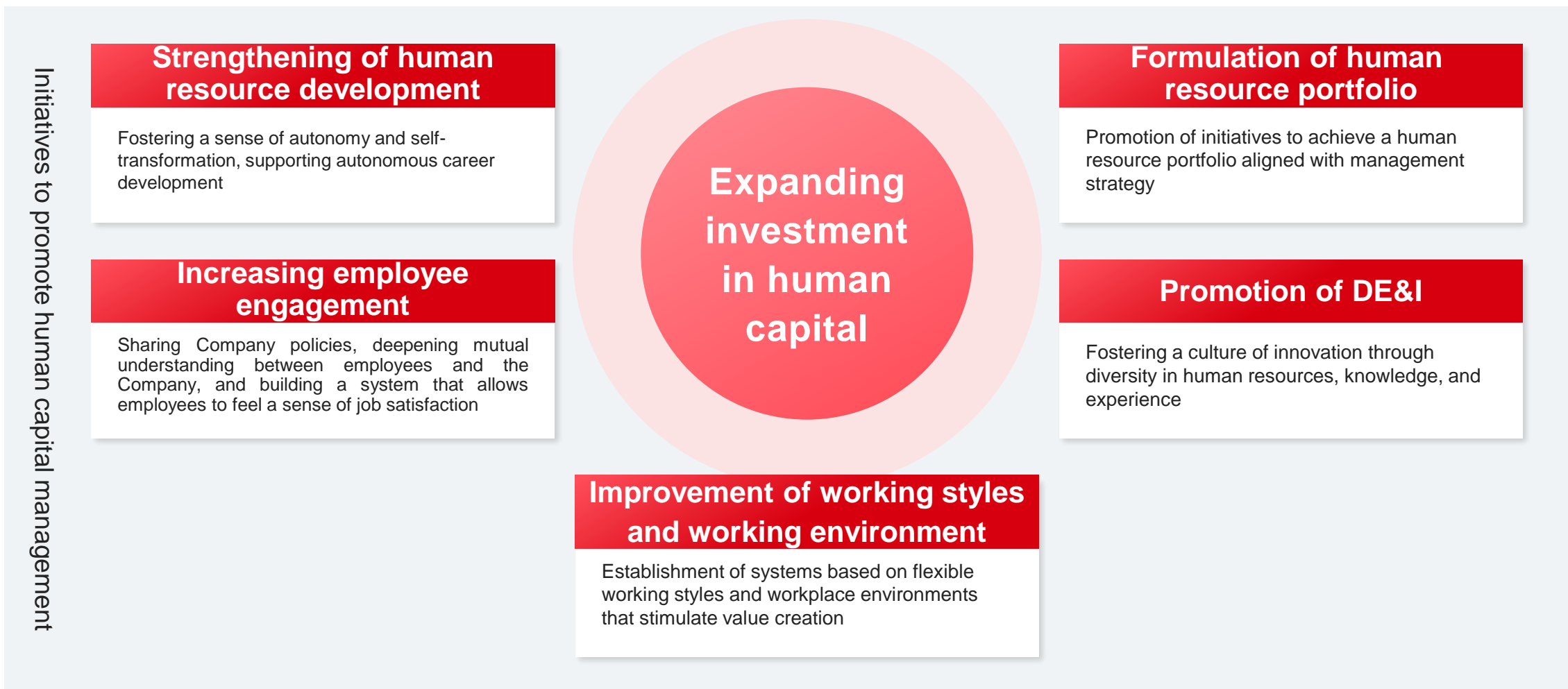
- Leverage ERP renewal to expand investment in preparing environment for DX
- Aim to contribute to profits through the use of digital technology, centered on a dedicated organization



■ Strengthening Business Foundations through ESG Management

(Promotion of Human Capital Management)

Promotion of human capital management that supports the activities of the PEOPLE who support manufacturing and continues to enhance corporate value



■ Strengthening Business Foundations through ESG Management

(Responding to Environmental Issues)

Address environmental issues from five perspectives

Initiatives to address environmental issues

① Responding to climate change

- Scope1, 2...
60% reduction by FY2030
(Compared to FY2013)
Net zero by 2050
- Promotion of modal shift initiatives
- Addition of GHG standards to executive compensation

② Promotion of resource recycling

- Collection and recycling of calcium fluoride (fluorite)
- Promotion of collection and reuse of glass cullet (after product use)
- Reduction of waste
- Participation in Circular Partners

③ Ensuring the safety of product-related chemical substances

- Promotion of autonomous management of chemical substances

④ Conservation of biodiversity

- Efficient use of water resources
- Preparing for TNFD disclosure

⑤ Development and launch of environmentally friendly products

- Introduction of environmentally friendly products with low GHG emissions
- Development of GHG capture technologies, etc.
- Market launch of PFAS-free products and non-plastic coated fertilizers

Strengthening Corporate Governance (Transition to a Company with an Audit and Supervisory Committee)

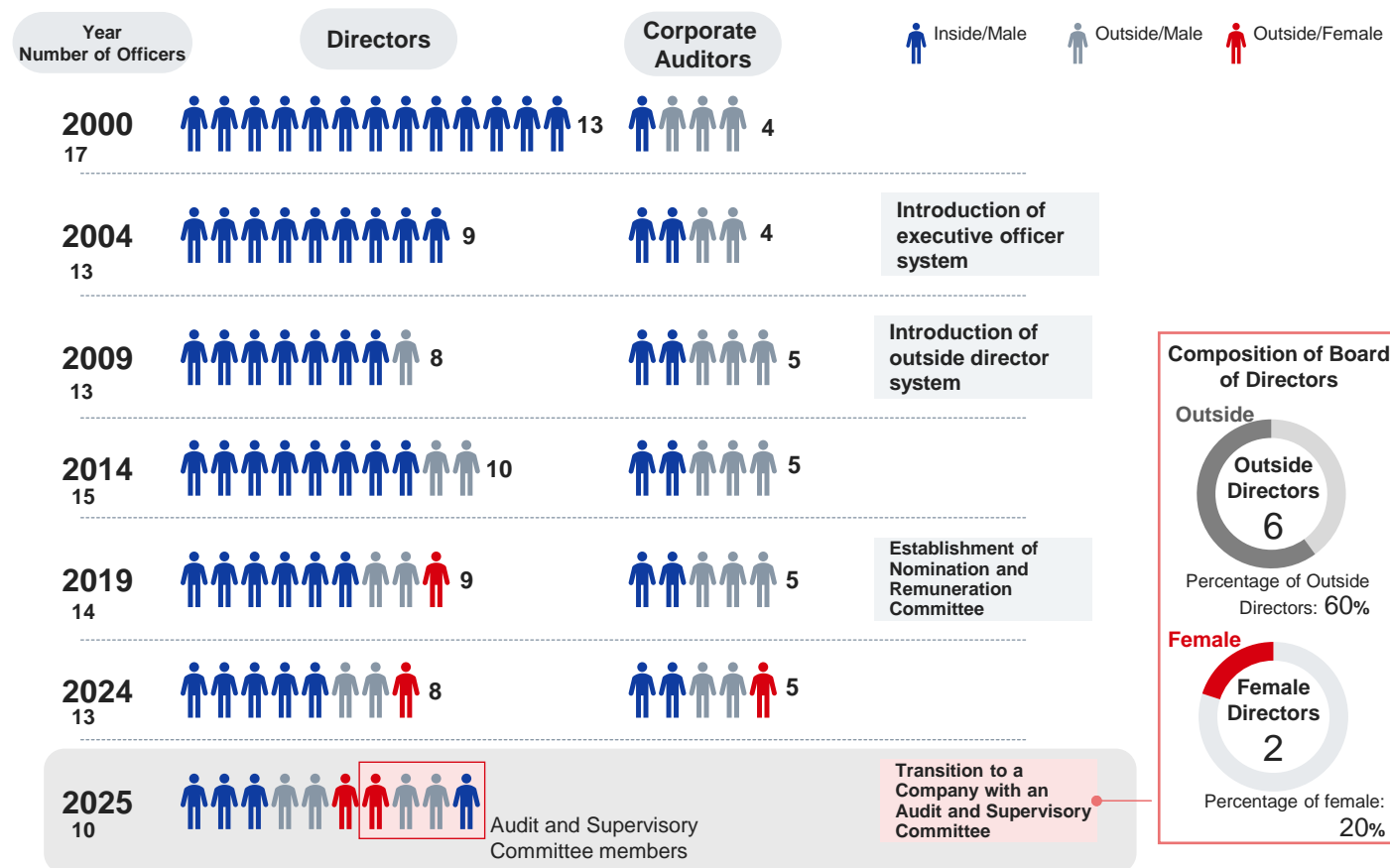
Transition to a Company with an Audit and Supervisory Committee subject to resolution by the Ordinary General Meeting of Shareholders to be held in June 2025.

Purpose

Sustainable growth and enhancement of corporate value

- 1 Strengthening of Supervisory functions of the Board of Directors
- 2 Flexible and efficient decision-making in management
- 3 Stimulating discussion on enhancing corporate value at meetings of the Board of Directors

Changes in number of officers



■ Strengthening Corporate Governance (Executive Compensation System)

To achieve VISION 2030, Directors and others will contribute to further enhancing corporate value and raising awareness of value sharing among shareholders and other stakeholders.

■ Executive compensation design linked to Enhancement of Corporate Value

Revised Evaluation Indicators [Base Values]

- 1** Short-term incentives
(Full-year results forecast)
 - Consolidated operating profit [Initial performance forecast]
- 2** Medium- to long-term incentives
(Performance-based stock compensation)
 - Consolidated operating profit
 - Consolidated ROE
 - GHG emissions
 - Relative TSR

}

[MTMP targets]

[TOPIX growth rate inclusive of dividends]

